

108TH CONGRESS
2D SESSION

H. R. 5186

To reduce certain special allowance payments and provide additional teacher loan forgiveness on Federal student loans.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 30, 2004

Mr. BOEHNER (for himself, Mr. McKEON, and Mr. WILSON of South Carolina) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To reduce certain special allowance payments and provide additional teacher loan forgiveness on Federal student loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Taxpayer-Teacher Pro-
5 tection Act of 2004”.

6 **SEC. 2. REDUCTION OF SPECIAL ALLOWANCE PAYMENTS**
7 **FOR LOANS FROM THE PROCEEDS OF TAX EX-**
8 **EMPT ISSUES.**

9 Section 438(b)(2)(B) (20 U.S.C. 1087–1(b)(2)(B)) is
10 amended—

1 (1) in clause (i), by striking “this division” and
2 inserting “this clause”;

3 (2) in clause (ii), by striking “division (i) of this
4 subparagraph” and inserting “clause (i) of this sub-
5 paragraph”;

6 (3) in clause (iv), by inserting “or refunded
7 after September 30, 2004, and before October 1,
8 2005,” after “October 1, 1993,”; and

9 (4) by adding at the end the following new
10 clause:

11 “(v) Notwithstanding clauses (i) and (ii), the
12 quarterly rate of the special allowance shall be the
13 rate determined under subparagraph (A), (E), (F),
14 (G), (H), or (I) of this paragraph, or paragraph (4),
15 as the case may be, for a holder of loans that—

16 “(I) were made or purchased with funds—

17 “(aa) obtained from the issuance of
18 obligations the income from which is ex-
19 cluded from gross income under the Inter-
20 nal Revenue Code of 1986 and which obli-
21 gations were originally issued before Octo-
22 ber 1, 1993; or

23 “(bb) obtained from collections or de-
24 fault reimbursements on, or interest or
25 other income pertaining to, eligible loans

made or purchased with funds described in
division (aa), or from income on the invest-
ment of such funds; and

“(II) are—

“(aa) financed by such an obligation
that has matured, or been retired or
defeased;

“(bb) refinanced after September 30,
2004, and before October 1, 2005, with
funds obtained from a source other than
funds described in subclause (I) of this
clause; or

“(cc) sold or transferred to any other
holder after September 30, 2004, and be-
fore October 1, 2005.”.

SEC. 3. LOAN FORGIVENESS FOR TEACHERS.

(a) IMPLEMENTING HIGHLY QUALIFIED TEACHER
REQUIREMENTS.—

(1) AMENDMENTS.—

(A) FFEL LOANS.—Section 428J(b)(1) of
the Higher Education Act of 1965 (20 U.S.C.
1078–10(b)(1)) is amended—

(i) in subparagraph (A), by inserting
“and” after the semicolon; and

1 (ii) by striking subparagraphs (B) and
 2 (C) and inserting the following:

3 “(B) if employed as an elementary school
 4 or secondary school teacher, is highly qualified
 5 as defined in section 9101 of the Elementary
 6 Secondary Education Act of 1965; and”.

7 (B) DIRECT LOANS.—Section 460(b)(1)(A)
 8 of such Act (20 U.S.C. 1087j(b)(1)(A)) is
 9 amended—

10 (i) in clause (i), by inserting “and”
 11 after the semicolon; and

12 (ii) by striking clauses (ii) and (iii)
 13 and inserting the following:

14 “(ii) if employed as an elementary
 15 school or secondary school teacher, is high-
 16 ly qualified as defined in section 9101 of
 17 the Elementary and Secondary Education
 18 Act of 1965; and”.

19 (2) TRANSITION RULE.—

20 (A) RULE.—The amendments made by
 21 paragraph (1) of this subsection to sections
 22 428J(b)(1) and 460(b)(1)(A) of the Higher
 23 Education Act of 1965 shall not be applied to
 24 disqualify any individual who, before the date of
 25 enactment of this Act, commenced service that

met and continues to meet the requirements of such sections as such sections were in effect on the day before the date of enactment of this Act.

(B) RULE NOT APPLICABLE TO INCREASED QUALIFIED LOAN AMOUNTS.—Subparagraph (A) of this paragraph shall not apply for purposes of obtaining increased qualified loan amounts under sections 428J(c)(3) and 460(c)(3) of the Higher Education Act of 1965 as added by subsection (b) of this section.

(b) ADDITIONAL AMOUNTS ELIGIBLE TO BE RE-PAID.—

(1) FFEL LOANS.—Section 428J(c) of the Higher Education Act of 1965 (20 U.S.C. 1078–10(c)) is amended by adding at the end the following:

“(3) ADDITIONAL AMOUNTS FOR TEACHERS IN MATHEMATICS, SCIENCE, OR SPECIAL EDUCATION.—Notwithstanding the amount specified in paragraph (1), the aggregate amount that the Secretary shall repay under this section shall be not more than \$17,500 in the case of—

“(A) a secondary school teacher—

1 “(i) who meets the requirements of
2 subsection (b); and

3 “(ii) whose qualifying employment for
4 purposes of such subsection is teaching
5 mathematics or science on a full-time
6 basis; and

7 “(B) an elementary school or secondary
8 school teacher—

9 “(i) who meets the requirements of
10 subsection (b);

11 “(ii) whose qualifying employment for
12 purposes of such subsection is as a special
13 education teacher whose primary responsi-
14 bility is to provide special education to
15 children with disabilities (as those terms
16 are defined in section 602 of the Individ-
17 uals with Disabilities Education Act); and

18 “(iii) who, as certified by the chief ad-
19 ministrative officer of the public or non-
20 profit private elementary school or sec-
21 ondary school in which the borrower is em-
22 ployed, is teaching children with disabilities
23 that correspond with the borrower’s special
24 education training and has demonstrated
25 knowledge and teaching skills in the con-

1 tent areas of the elementary school or sec-
2 ondary school curriculum that the bor-
3 rower is teaching.”.

4 (2) DIRECT LOANS.—Section 460(c) of the
5 Higher Education Act of 1965 (20 U.S.C. 1087j(c))
6 is amended by adding at the end the following:

7 “(3) ADDITIONAL AMOUNTS FOR TEACHERS IN
8 MATHEMATICS, SCIENCE, OR SPECIAL EDUCATION.—
9 Notwithstanding the amount specified in paragraph
10 (1), the aggregate amount that the Secretary shall
11 cancel under this section shall be not more than
12 \$17,500 in the case of—

13 “(A) a secondary school teacher—

14 “(i) who meets the requirements of
15 subsection (b)(1); and

16 “(ii) whose qualifying employment for
17 purposes of such subsection is teaching
18 mathematics or science on a full-time
19 basis; and

20 “(B) an elementary school or secondary
21 school teacher—

22 “(i) who meets the requirements of
23 subsection (b)(1);

24 “(ii) whose qualifying employment for
25 purposes of such subsection is as a special

1 education teacher whose primary responsi-
2 bility is to provide special education to
3 children with disabilities (as those terms
4 are defined in section 602 of the Individ-
5 uals with Disabilities Education Act); and

6 “(iii) who, as certified by the chief ad-
7 ministrative officer of the public or non-
8 profit private elementary school or sec-
9 ondary school in which the borrower is em-
10 ployed, is teaching children with disabilities
11 that correspond with the borrower’s special
12 education training and has demonstrated
13 knowledge and teaching skills in the con-
14 tent areas of the elementary school or sec-
15 ondary school curriculum that the bor-
16 rower is teaching.”.

17 (3) EFFECTIVE DATE.—The amendments made
18 by this subsection shall apply only with respect to el-
19 igible individuals who are new borrowers (as such
20 term is defined in 103 of the Higher Education Act
21 of 1965 (20 U.S.C. 1003)) on or after October 1,
22 1998, and before August 16, 2005.

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